



ECONOMIC COMMENTARY

## The Number of Job Vacancies in Alberta Dropped Sharply during the Current Recession

January 4, 2017

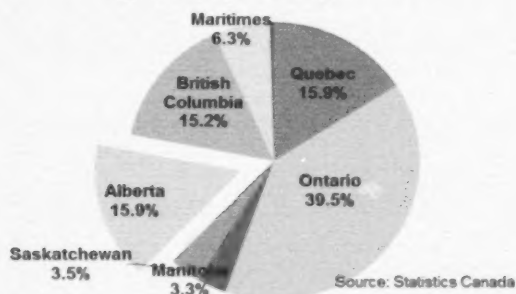
**Highlights:**

As employment has fallen and unemployment levels have risen during the current recession the number of job vacancies has fallen sharply in Alberta: they fell 39% between the second quarter of 2015 and the second quarter of 2016.

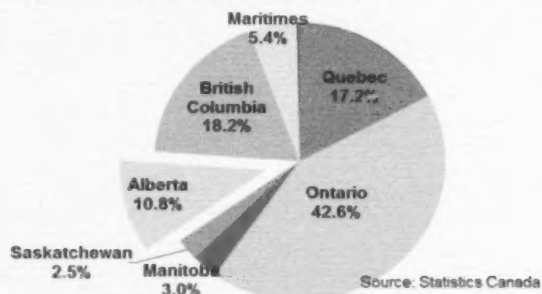
Because of the current recession the number of unemployed people in Alberta has more than doubled since the start of the recession in late 2014 and the number of job vacancies has plunged. In this commentary we will examine recent trends in the number of job vacancies in Alberta and in the unemployment-to-job vacancies ratio and the job vacancy rate.

There were 42,290 job vacancies in Alberta in the second quarter of 2016, 27,130 or 39% fewer than the 69,420 vacancies for the same period of 2015. Alberta's share of Canadian job vacancies was 10.8% in the second quarter of this year, down from a 15.9% share in the second quarter of 2015. By comparison, Alberta's share of the total number of payroll jobs in Canada was 12.6% in the second quarter of 2016.

**Provincial Shares of Canadian Job Vacancies  
Second Quarter of 2015**

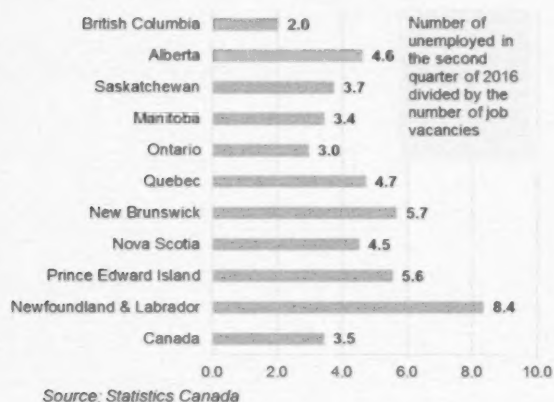


**Provincial Shares of Canadian Job Vacancies  
Second Quarter of 2016**

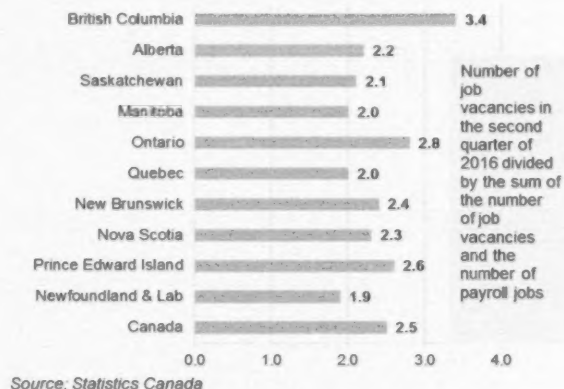


Because of the combined effect of a large decrease in the number of vacancies and a jump in the number of unemployed people in Alberta during the past year, the unemployment-to-job vacancies ratio rose sharply from 2.1 (unemployed persons for each job vacancy) in the second quarter of 2015 to 4.6 in the second quarter of 2016. Alberta's unemployment-to-job vacancies ratio is now higher than Canada's 3.5 ratio.

**Unemployment-to-Job Vacancies Ratios**



**Job Vacancy Rates by Province (%)**



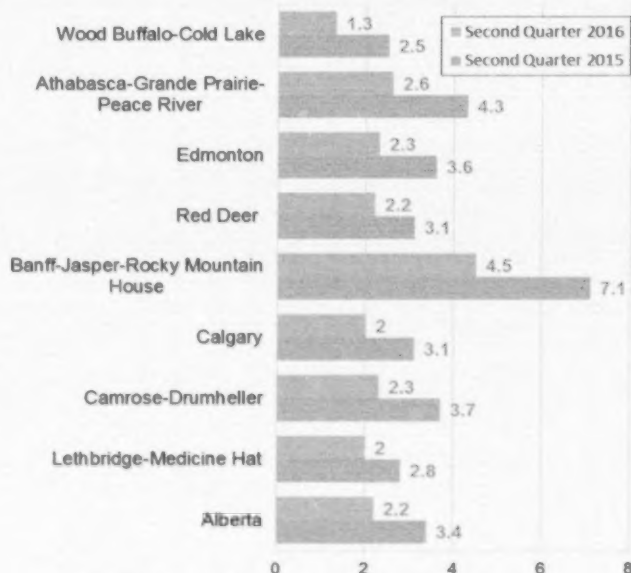
One can also examine trends in the job vacancy rate which refers to the share of jobs that are unfilled out of all payroll jobs available. It represents the number of job vacancies expressed as a percentage of labour demand, that is, the sum of all occupied and vacant jobs. Alberta's job vacancy rate was 2.2% in the second quarter of 2016, lower than the Canadian average of 2.5% and much lower than the 3.5% rate that was registered for Alberta in the second quarter of 2015.

The two industries with the largest declines in the job vacancy rate in Alberta are construction, where the rate fell from 4.6% in the second quarter of 2015 to 1.9% in the second quarter of 2016, and accommodation and food services (from 8.5% to 5.4%). Other industries with large declines include retail trade (from 4.3% to 2.8%), wholesale trade (from 2.2% to 1.1%), transportation and warehousing (from 2.1% to 1.2%) and professional, scientific and technical services (from 2.1% to 1.3%). The oil and gas industry did not see much change in its rate (from 0.7% to 0.4%) because the number of vacancies was already at a very low level a year ago.



On a regional basis<sup>1</sup> the largest decline in the number of job vacancies was registered in the Wood Buffalo - Cold Lake Economic Region with a 61% drop between the second quarter of 2015 and the second quarter of 2016, perhaps in part due to the wildfires. Large declines were also noted for Grande Prairie - Athabasca - Peace River (down 49%) and Camrose - Drumheller (down 45%). The smallest year-over-year decrease of 29% was noted for the Lethbridge - Medicine Hat region. The Wood Buffalo - Cold Lake region now has the lowest job vacancy rate of all the Economic Regions in Alberta while the Banff - Jasper - Rocky Mountain House continues to have the highest rate. The vacancy rates in Alberta's two largest Economic Regions, Calgary and Edmonton, have fallen to 2% and 2.3%, respectively, from 3.1% and 3.6% a year earlier.

Job Vacancy Rates by Economic Region (%)



Source: Statistics Canada

<sup>1</sup> Economic Regions 10, 20, 30, 40, 50, 60, 70 and 80 on this map: <http://www12.statcan.gc.ca/census-recensement/2011/geo/map-carte/pdf/2011-12572-01-D.pdf>